1ST ANNUAL EPA OECA GRANT CONFERENCE

Presented at
Westin Embassy Row Hotel
April 15-16, 2003
Washington, DC

Sponsored by
U.S. Environmental Protection Agency

WELCOMING REMARKS

Presented by
Mike Stahl, Director, Office of Compliance, U.S. EPA

Disclaimer

**Mike Stahl: Director, Office of Compliance, U.S. Environmental Protection Agency
Welcoming Remarks**

Introduction by David Piantanida:
Mike Stahl is one of the Agency's senior officials responsible for directing EPA's programs to assure compliance with the nation's environmental laws and regulations. Mike previously served from 1993-2000 as Deputy Assistance Administrator in EPA's Office of Enforcement and Compliance Assurance. In 2002 he was awarded a Presidential Rank Award for Meritorious Service. He has twice received a Gold Medal for Exceptional Service for distribution of loans and grants to schools for abatement of asbestos hazards and for reorganization of EPA's enforcement program. Michael is an Adjunct Faculty member of the Department of Public and International Affairs at George Mason University in Fairfax, Virginia, where he teaches courses on public management in the Master of Public Administration program. Mike graduated from the University of Missouri in 1980 with a Master's degree in public administration after working in the Missouri Senate as an assistant to the Majority Floor Leader. He also worked as a probation and parole officer in St. Louis, Missouri after earning a Bachelor's degree in Administration of Justice from the University of Missouri in 1975.

Mike Stahl:
Thank you for attending, especially those from state organizations here to share information from projects. A book from the academic world, written by Mark Moore called "Creating Public Value," describes innovative public management and describes us as explorers who seek to define and discover public value. This is a good example, as we explore and achieve innovation specifically for compliance and enforcement programs in the states. The way to think about this conference is that we are a community of interest in these experiments and trying to learn from them.

The grant program has been trying to work in partnership on certain chosen topic areas. Since 1999, we have awarded nearly 60 project grants, totaling approximately $6.5M. Each year approximately $2.2M has been available in funding. We started with the theme of capacity building, and now feel the need to begin to take stock and move on to other areas. We hope to make this conference an annual event so grantees can share progress and learn lessons.

Program background:
1 - 3 topic areas are selected each year for proposals, chosen from conversations with regional offices and within OC to find the needs of states. We will be listening at this conference for ideas for future funding areas. To give you a sense of the competitive nature of this grant program - we received over 200 pre-proposals totaling $30M last year, outpacing available funds. Of these, we selected 16 projects for funding.

Mike Stahl, U.S. EPA, Director, Office of Compliance

Past topics:

In 1999-2000, the focus was almost entirely on performance measurement, from discussions with ECOS and states as they attempt to measure performance, especially outcomes or results (not just counting inspections or cases).

In 2000-2001, the focus was on (1) compliance assistance/outcome measurement, with the intent to give businesses information and measure results of these programs, which has been challenging, (2) data quality - managing data systems, keeping it timely, making it a useful tool, and (3) public access - by making more information available to the public, you enlist the public to go in the right direction.

In 2001-2002, the focus was on (1) inspector training - like EPA, many states are finding that their inspector corps were moving toward retirement, or had lots of turnover, and we felt that offering funds for training could build capacity; (2) data management - a lot of work was on the Permit Compliance System (PCS) under CWA, to merge with a modernized system; and (3) performance measurement again, with program planning.

In 2002-2003, again, the focus was on (1) enforcement training, as well as (2) improved linkages between EPA and state/tribal data systems.

Over the years, data management, performance measurement, and training has been the emphasis. We will look at these and try to see where to focus in future years.

As a result of GPRA, there is a lot more emphasis on doing performance measurement in a way that describes results, not just number of activities. We're trying to move toward outcome measurement. Also, we are attempting to modernize all national compliance systems starting with PCS under the CWA. This is a large undertaking which will take many years and dollars to complete, but it is important to the states to improve compliance and enforcement. Public access is also increasingly important - many are familiar with ECHO which makes data available, and the importance of keeping this data updated and current for public access. States are integral in keeping this data accurate and timely and it is an area that EPA will continue funding in the future.

Some highlights of programs we have funded over the years:

Study of Chrome Platers in the South Coast Air Basin in CA - For this study, the CA Air Resources Board:

- established statistically valid baseline non-compliance rates,
- employed an integrated strategy of targeted assistance, inspections, and enforcement, and
- were able to take measurements over 3 years that showed improvements in compliance in this sector from 23% to 80%.

This is a good example of the kind of work that can be done with these funds.

The Comprehensive Enforcement and Compliance Measurement System (COMPASS) project in CO--For this study, the CO Department of Public Health and Environment accomplished the

Mike Stahl, U.S. EPA, Director, Office of Compliance

following:
- Established a baseline, developed compliance reports, and provided one-on-one assistance for 44 asphalt facilities (an important sector when growth is going on).
- The baseline showed that most facilities were out of compliance with air, water, and waste requirements. Only 76% of facilities were in compliance with critical air quality requirements.
- As a result of intervention with this sector, compliance rate was raised to 92% for critical air quality requirements.

There are many other examples, not all of which are sector-specific, some are to modernize data systems, or improve state systems to improve their ability to quantify compliance and increase it.

Our hope from this conference is to let other states hear about experiments going on around them and the results achieved across the country, and also to let EPA hear what results have been achieved.

Last thing to mention -
We think there is a solid future for this program. We've come through a fairly shakey appropriations process. Congress has just finished with their appropriations now, well into the fiscal year. They have appropriated $2.2M for this grant program. We feel that program will remain intact, and may even grow in the future.

The Web page is now developed. I have taken a look at the Web page, and would point to this as a tool to get a sense of what other states are doing, along with contact information. EPA views this as a tool for states and for us, and also as a public relations tool to show the world that this money is being used to do some interesting things.

Q: You talk about data quality and data management, and this seems a natural fit to discuss data communication. Sometimes we have data that means different things to different states. Is there a way to communicate a universal, or consistent, definition?
A: Yes, sometimes EPA and states can look at the same data and see different things, and this has played out with ECHO. Data may be interpreted differently. I'm not sure how much of this is controllable, beyond working with states to present data in consistent ways and providing universal definitions. Anytime you put data out, it is important to have definitions about what's meant by a term or a number. Being good stewards of data is an important step.
Q: Can you talk about the relationship between HQ and the regions in how awards are made? In Region 3 it's working remarkably well, but there is an existing structure for bean-counting. There is some contention that some Regions are less likely to be outcome-oriented. People doing inspections are concerned that innovations are taking from core programs.
A: There is a difference between measuring activities and measuring outcomes. While we've moved toward measuring outcomes, you can't have a system that only measures outcomes. We

Mike Stahl, U.S. EPA, Director, Office of Compliance

need to merge measuring outcomes and outputs, and balance funds to develop output-based systems. We sometimes have to make choices about when to put resources into measuring outputs or outcomes. I think both kinds of data are important. I get asked about both.

On Regional roles in the grant program, over the course of the grants program, we have been trying to refine the regional role with each grant cycle, and choices of grant subjects has become more bottom-up over the years. Now Regions are giving suggestions about topic areas, are participating in making selections of awards and reviewing proposals. Over time, we have expanded the role of the Regions from one that was minimal to more a expanded role.

Q: What type of feedback will be sent back to programs for the planning process resulting from outcome data?

A: When we started this in OECA, the grand plan was to identify measures, implement them, and then use them. I think we are now in the third phase. It works very well for us, and now our new AA, JP Suarez, is a data junky and likes looking at this data. You saw the blue book "Using Performance Measurment Data as a Management Tool" on the table outside. This is our attempt to use this data in enforcement and compliance programs. JP is using data on Regional visits, looking at specific program elements (e.g., NPDES recently), and other uses, and looking at what other agencies have done with data. He seems very interested in managing from the data.

Q: The perception in states is that EPA HQ dictates what the state is focusing on, and passes this down to the states, which are recipients of a problem list. The state is the best identifier of problems. Is there talk of reversing this so that states can define priorities?

A: One thing that hasn't gotten the attention it deserves is reform of the annual planning process at EPA. Under the CFO's office on the web site there is a report on managing for improved results - in addition to an Agency Strategic Plan, there will be Regional Strategic Plans that key into the National Plan. It will give Regions an opportunity to feed into the National Plan. This is a major step. What you will see is a bit more of a balance on whether we are working on national, regional or state priorities. It's easy to be cynical about plans, but I think this one can work and will allow integration of state and EPA priorities. OECA is also planning on changing the way they do the Memoranda of Agreements (MOAs) to more accurately reflect those regional strategic plans.

Mike Stahl, U.S. EPA, Director, Office of Compliance